

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07  
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00  
H-01 NSC-05 OMB-01 MC-02 /068 W  
-----280810Z 024896 /22

P R 271620Z APR 77  
FM AMEMBASSY COPENHAGEN  
TO SECSTATE WASHDC PRIORITY 4358  
SECDEF WASHDC PRIORITY  
CSAF WASHDC PRIORITY  
OSAF WASHDC/SAFIL PRIORITY  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY OSLO  
AMEMBASSY THE HAGUE  
AFSC ANDREWS AFB MD  
ASD WRIGHT PATTERSON AFB OH  
HQ EUCOM VAIHINGEN GE

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E.O.: 11652: N/A  
TAGS: MPOL, MILI, DA  
SUBJ: F-16 PARLIAMENTARY DEBATE FIZZLES; DEFENSE MINISTER  
WILL APPARENTLY ASK FOR EXTENSION OF LOA DEADLINE

REFS: (A) COPENHAGEN 2329 DTG 211655Z APR 77, (B) COPENHAGEN  
2408 DTG 251907Z APR 77

SUMMARY. THE LONG-AWAITED F-16 PARLIAMENTARY DEBATE ON APRIL 26  
WAS A DUD, BUT, AS EXPECTED, DISPLAYED A LARGE MAJORITY IN FAVOR  
OF THE AIRCRAFT PURCHASE. MINISTER OF DEFENSE ORLA MOLLER ABLY  
RESPONDED TO CRITICISMS RAISED ABOUT THE F-16 AND REITERATED THAT  
DENMARK IS BUYING THE BEST AIRPLANE AT THE BEST PRICE AND WITH  
THERMS THAT GIVE ADEQUATE COMPENSATION TO THE FOUR EUROPEAN  
PARTNERS. HE EXPLICITLY POINTED OUT THAT THE EUROPEAN PARTNERS  
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HAVE ALREADY RECEIVED MORE OFFSET THAN LEGALLY REQUIRED. AL-  
THOUGH THIS PARLIAMENTARY HURDLE WAS SUCCESSFULLY CLEARED, THERE  
APPEARS TO BE A REAL POSSIBILITY THAT THE DANES WILL PROCEED  
WITH A REQUEST FOR ANOTHER EXTENSION OF THE PRELIMINARY CONTRACTS  
AND THE DEADLINE FOR THE LETTER OF OFFER AND ACCEPTANCE. END SUM-  
MARY.

1. ON TUESDAY THE DANISH PARLIAMENT DEBATED THE F-16 PURCHASE WITH A NOTABLE LACK OF ENTHUSIASM. THE DEBATE WAS CALLED IN RESPONSE TO DEFENSE MINISTER ORLA MOLLER'S FORMAL WRITTEN STATEMENT SUBMITTED TO THE FOLKETING LAST THURSDAY (REFTEL A). MOLLER STATED IN HIS REBUTTAL TO CRITICISMS FROM THE PARTIES OPPOSING THE PURCHASE THAT THE ONLY REASON HE ASKED FOR THE DEBATE WAS TO PROVE THAT THE GOVERNMENT "HAD NOTHING TO HIDE" IN THIS PROJECT. (THE OPPOSING PARTIES ARE THE THREE OF THE FAR LEFT PLUS THE RADICALS AND THE JUSTICE PARTY. TOGETHER THEY HOLD 31 OF THE FOLKETING'S 179 SEATS. THERE WAS NO VOTE AS SUCH BECAUSE OF THE PARTICULAR PARLIAMENTARY PROCEDURE EMPLOYED.)

2. MOLLER SAID THAT THE 58 PERCENT OFFSET COMMITMENT WAS TO THE FOUR EUROPEAN PARTNERS AS A WHOLE AND THAT IT WAS HIS JUDGMENT THAT THE PARTNERS HAD RECEIVED MORE THAN THE PROMISED COPRODUCTION. HE DID NOT ADDRESS THE OFFSET LEVEL ACTUALLY ACHIEVED IN DENMARK. HE STATED THAT THE UNITED STATES WILL COOPERATE TO ASSIST THE FOUR EUROPEAN PARTNERS IN COPRODUCTION BUT DANISH INDUSTRIES MUST BE COMPETITIVE IN PRICE AND CAPABILITY. HE THEN COMMENTED THAT THE FOUR PARTNERS DID NOT PURCHASE THE AIRCRAFT SOLELY FOR REASONS OF INDUSTRIAL COMPENSATION BUT ALSO FOR THE CAPABILITY OF THE AIRCRAFT. HE REITERATED THAT HE FELT CONFIDENT THAT THEY WERE BUYING THE BEST AIRCRAFT FOR THE PRICE.

3. MOLLER WENT ON TO DISCUSS THE MUCH-PUBLICIZED FIRST GAO REPORT ON THE F-16 PROGRAM PLUS THE PROBLEMS BEING ENCOUNTERED IN THE DEVELOPMENT PHASE OF PRODUCTION AND LAID THESE COMFORTABLY TO REST BY STATING THAT "ANY PROGRAM OF THIS SIZE HAS SOME PROBLEMS IN DEVELOPMENT WHICH ARE BEING SOLVED." TECHNICAL CHANGES ARE LIMITED OFFICIAL USE

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BEING PROPOSED FOR VARIOUS MISSIONS OF EACH COUNTRY, HE STATED, BUT THESE WOULD NOT INFLUENCE THE PRICE OF THE DANISH F-16. HE STATED THAT DENMARK WAS NEITHER BUYING A VOLKSWAGEN OR A B-1 BOMBER, BUT AN EXCELLENT AIRCRAFT.

4. TODAY, WEDNESDAY, WE WERE RELIABLY INFORMED THAT IN ALL PROBABILITY MOLLER WILL PROCEED TO REQUEST AN EXTENSION OF THE MAY 2 LETTER OF OFFER AND ACCEPTANCE DEADLINE. THIS APPARENTLY WILL BE DONE VIA A LETTER TO US SECRETARY OF DEFENSE BROWN. WE UNDERSTAND THAT THE LETTER REQUESTING SUCH AN EXTENSION IS DUE TO THE UNCERTAINTY CREATED BY THE ACTION OF THE US HOUSE OF REPRESENTATIVES IN REDUCING THE F-16 RESEARCH-DEVELOPMENT TEST AND EVALUATION APPROPRIATIONS. ALTHOUGH THE DANES UNDERSTAND THAT THE SENATE HAS NOT YET ACTED ON THIS QUESTION, THEY ARE CONCERNED THAT CONGRESSIONAL ADJUSTMENTS IN THE PROGRAM COULD RESULT IN INCREASING THE PRICE OF THE DANISH F-16. MOLLER EVIDENTLY BELIEVES THAT HE WOULD BE OPEN TO UNACCEPTABLE CRITICISM HERE IF HE SIGNED THE LOA NOW AND THEN DISCOVERED THAT HE WOULD ONCE AGAIN HAVE TO RETURN TO PARLIAMENT FOR MORE MONEY. THE SITUATION IN THE US WAS

APPARENTLY BRIEFED AT THE F-16 STEERING COMMITTEE IN THE HAGUE  
ON APRIL 20. (COPENHAGEN 2408).

5. CONSEQUENTLY THE LETTER WILL ASK FOR ASSURANCES THAT THE NOT-  
TO-EXCEED PRICE WILL NOT, IN FACT, BE EXCEEDED. ACCORDINGLY, WE  
UNDERSTAND THAT MMLER HAS PUT OFF HIS SCHEDULED APPEARANCE BE-  
FORE THE FOLKETING FINANCE COMMITTEE TODAY IN ORDER TO OBTAIN ITS  
AUTHORIZATION TO SPEND DKR. 250 MILLION TO COVER F-16 COST IN-  
CREASES WHICH HAVE ALREADY OCCURRED. UNLESS EXTRAORDINARY PAR-  
LIAMENTARY MEASURES ARE TAKEN, MOLLER' NEXT OPPORTUNITY TO APPEAR  
BEFORE THE FINANCE COMMITTEE WILL BE NEXT WEDNESDAY, MAY 4 -  
BEYOND THE PRESENT DEADLINE FOR THE LOA.

6. ACTION REQUESTED: ALTHOUGH WE RECOGNIZE THAT IT MAY BE IMPOS-  
SIBLE TO RESPOND WITH THE FULL RANGE OF ASSURANCES THAT MOLLER  
INCLUDES IN HIS LETTER TO BROWN, IT APPEARS IMPERATIVE THAT AN  
OBJECTIVE ANALYSIS OF PRESENT AND PROJECTED HOUSE AND SENATE  
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ACTIONS ON THE F-16 BE FORTHCOMING AS SOON AS POSSIBLE.  
DEAN

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** N/A  
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**TAGS:** MPOL, MILI, DA, (MOLLER, ORLA)  
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